

Department of Social and Health Services

DP Code/Title: M2-9R Utilization Changes, DSHS

Program Level - 080 Medical Assistance

Budget Period: 2003-05 Version: H1 080 2003-05 Fall Update

Recommendation Summary Text:

This step requests the funding needed to address changes in utilization of medical services by Medical Assistance Administration (MAA) clients, as estimated in the Medical Assistance October 2002 Forecast. The values were calculated as the difference between the MAA October 2002 expenditure forecast and the sum of the 2003-05 Biennium Budget carry forward level, plus the values contained in the M1-93 Mandatory Caseload Adjustments decision package.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080			
001-1 General Fund - Basic Account-State	131,192,000	244,490,000	375,682,000
001-2 General Fund - Basic Account-Federal	(9,524,000)	(597,000)	(10,121,000)
001-7 General Fund - Basic Account-Private/Local	23,311,000	21,605,000	44,916,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	246,818,000	383,459,000	630,277,000
760-1 Health Services Account-State	56,321,000	79,894,000	136,215,000
Total Cost	448,118,000	728,851,000	1,176,969,000

Staffing

Package Description:

Factors that affect utilization include changes in the intensity and duration of care, technology, and changes in the configuration of services provided to clients. Once all known changes in caseload, rates, program structure, and coverage are accounted for, it is assumed that remaining projected costs are those attributable to changes in utilization.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Improve the quality of, access to, and satisfaction with, health care services received by MAA clients.

Performance Measure Detail

Program: 080

Goal: 10H Assure access to high quality health care

No measures submitted for package

Incremental Changes

FY 1

FY 2

Reason for change:

The October 2002 Medical Assistance Forecast for the 2003-05 Biennium resulted in expenditure projections that are beyond those amounts that are attributable solely to caseload increases.

Impact on clients and services:

Funding this step assures that MAA clients will continue to have access to necessary medical services.

Impact on other state programs:

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MAA assures access to virtually all populations of Department of Social and Health Services (DSHS) clients who meet program eligibility criteria. These include the most vulnerable populations served by DSHS programs - the aged, the disabled, children, WorkFirst clients, and others.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The requested funding supports the provision of medical service to MAA clients who are, for the most part, a population served under the Medicaid entitlement program. Therefore, no alternatives have been explored concerning other means of meeting these costs attributable to medical service utilization. MAA has systems in place that are intended to insure that all services provided to clients are based on medical necessity and to identify and manage over-utilization of services when needed. MAA continues to seek ways of improving these utilization management systems.

Budget impacts in future biennia:

Changes in medical assistance program utilization are ongoing and are a function of the forecast process.

Distinction between one-time and ongoing costs:

There are no one-time costs associated with this decision package.

Effects of non-funding:

The failure to fund the increase in costs attributable to utilization would likely force MAA to propose elimination of optional services and/or populations from coverage under MAA health care programs. The scope of any reductions/eliminations have not yet been estimated. If reductions are taken, it would result in the loss of health care coverage for certain optional coverage groups and/or elimination of optional service categories such as physical occupational speech/language therapies, dental, vision care, and other optional services.

Expenditure Calculations and Assumptions:

This utilization step is calculated as follows:

[October 2002 Forecast Values - Program 1000]

LESS

[adjusted carry forward + Caseload values]

See attachment - MAA M2-9R Utilization Changes.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
N Grants, Benefits & Client Services	448,118,000	728,851,000	1,176,969,000

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DSHS Source Code Detail

Program 080		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	131,192,000	244,490,000	375,682,000
<i>Total for Fund 001-1</i>		131,192,000	244,490,000	375,682,000
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	(1,614,000)	(1,354,000)	(2,968,000)
767H	Children's Health Ins Prog (CHIP)	(7,910,000)	757,000	(7,153,000)
<i>Total for Fund 001-2</i>		(9,524,000)	(597,000)	(10,121,000)
Fund 001-7, General Fund - Basic Account-Private/Local				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	23,311,000	21,605,000	44,916,000
<i>Total for Fund 001-7</i>		23,311,000	21,605,000	44,916,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	209,005,000	342,763,000	551,768,000
19TB	Title XIX Assistance (100%)	898,000	884,000	1,782,000
19TD	Title XIX Assistance (90%)	36,915,000	39,812,000	76,727,000
<i>Total for Fund 001-C</i>		246,818,000	383,459,000	630,277,000
Fund 760-1, Health Services Account-State				
<u>Sources</u>	<u>Title</u>			
7601	Health Services Account	56,321,000	79,894,000	136,215,000
<i>Total for Fund 760-1</i>		56,321,000	79,894,000	136,215,000
Total Program 080		448,118,000	728,851,000	1,176,969,000